

## **COAC Trusted Trader Subcommittee**

October 1, 2014

### **General description**

#### **Objective/Goal of the Subcommittee:**

The objective of this subcommittee is to help advise CBP on trusted trader programs (i.e., a holistic CBP Trusted Trader initiative and the expansion of Customs-Trade Partnership Against Terrorism (C-TPAT)/Authorized Economic Operator (AEO). The current focus of the subcommittee is to concentrate on areas under C-TPAT review while CBP is further developing the Trusted Trader test.

### **Projects under the Subcommittee**

The subcommittee met on June 24, August 20 and September 22, 2014 to discuss the C-TPAT Exporter Entity including the development of the security criteria and eligibility requirements that would lay the framework for a C-TPAT Exporter Entity. The goal of this initiative is to ensure co-creation of the Eligibility Requirements, Minimum Security Criteria and proposed benefits for the C-TPAT Exporter Entity.

#### **Update:**

- ✓ The subcommittee continued to review, update and comment on the C-TPAT Exporter Entity internal document. Discussions encompassed the potential value of this program to US export activity and the planned streamlined expansion of existing C-TPAT participants into the Exporter Entity.
- ✓ Through interaction with CBP over the course of subcommittee meetings recommendations were made to expand the scope of comments and feedback around the exporter entity. Though an extensive list of comments and questions have been generated (over 125) to populate a robust FAQ document, the subcommittee commented that this should not represent the totality of feedback to best inform CBP on this initiative.
- ✓ The subcommittee was briefed on new approaches to expedite seagoing port clearances in advance of CBP presentations to the C-TPAT conference. We expect to learn more about this initiative should this transition beyond the pre-decisional stage.
- ✓ The subcommittee has discussed the relationships of the CEEs with trusted traders. The roll-out of new CEEs and their impact on CBP and the trade will likely be a broader topic for the COAC.
- ✓ The subcommittee discussed the potential for excise tax paying importers carrying a maximum bond to be processed in a more centralized fashion. Removing the requirement to notice individual port directors in lieu of a CBP wide registry was offered

for consideration. The Simplified Summary Work Group may take up this recommendation.

- ✓ The Trusted Trader Program Pilot was briefed to the subcommittee during our August meeting. A total of 30 applicants representing 160 importer of record numbers have been received by CBP for this pilot. A total of 9 applicants will be selected from diverse industries and cover a majority of the CEEs. Tracking this initiative is a core objective of the Trusted Trader subcommittee.
- ✓ Subcommittee Chairs participated in additional workgroups and support activities to assist CBP in interagency and international outreach.
  - Cost Benefits Metrics Work Group: This group has been in hiatus and its work will be evaluated in the context of other subcommittees and work groups.
  - Industry Accepted Standard of Compliance: The work of this group has been completed as of the August meeting. Its work product will be evaluated in conjunction with the Trusted Trader Program pilot currently being launched by CBP.
- ✓ We continue to poll the subcommittee on the strategy for the group going forward.

#### **Subcommittee Recommendations:**

The Trusted Trader Subcommittee offers the following recommendation for a vote by COAC on October 7, 2014:

1. The COAC recommends that CBP complete the selection process for the Trusted Trader Pilot and report on a regular basis the ongoing experience of the participants.
2. With the release of C-TPAT Exporter Entity the COAC recommends setting out a list of meaningful initial and long term benefits while soliciting from the Trade additional advantages associated with the initiative.